

APPRENTICE ADJUSTER LICENSE

A person who is paid to investigate or settle claims arising under insurance contracts must be licensed as an adjuster. In the event the applicant for an adjuster's license meets the other qualification requirements for the license but does not have the experience or special education or training for handling claims, the applicant may be issued a temporary license as an apprentice adjuster without passing the examination. But at all times, the apprentice adjuster must be subject to training, direction, and control by a licensed adjuster acting in the same capacity.

The temporary license is good only for a period up to 12 months. Hence, the apprentice adjuster must pass the examination and be issued a permanent independent or public adjuster license to continue adjusting claims beyond the 12-month period.

However while the license is active, apprentice adjusters have all of the privileges and obligations of other adjusters. And apprentice adjusters are subject to administrative action against their licenses like all other adjusters licensed in Kentucky.

INDIVIDUAL RESIDENT OR NONRESIDENT APPRENTICE ADJUSTER

Both residents and nonresidents may be licensed as apprentice adjusters as long as the nonresident's state permits Kentucky adjusters to act in that state.

QUALIFICATIONS – To be licensed as an apprentice adjuster, the individual applicant must

- Be at least 21 years old;
- Be a resident of Kentucky or resident of a reciprocal state
- Fulfill one of the following:
 - Be a full time employee of an insurer,
 - Be a full time salaried employee of a licensed adjuster, or
 - Be a graduate of a recognized law school;
- Be subject to training, direction, and control by a licensed adjuster
- Be trustworthy and of good reputation;
- Have an office accessible to the public; and
- Be financially responsible.

APPLICATION – The Department must receive the following to process the individual's application:

- Individual License Application – **Form 8301**
 - Electing either to be Independent or Public
 - Signed by the sponsoring licensed adjuster;
- Certification Letter from Reciprocal State, if nonresident;
- Proof of Financial Responsibility – **Form 99-3**; and
- Fees

FEES – The apprentice adjuster license applicant must remit \$25 for the license.

PRELICENSING TRAINING – No prelicensing training course is required of apprentice adjusters. In fact, this apprentice period was established solely for prelicensing training for a permanent adjuster license.

EXAMINATION – The apprentice adjuster is excused from taking the examination to be licensed as an apprentice adjuster. However, the apprentice adjuster must pass the adjuster examination before being issued a permanent independent or public adjuster license.

FINANCIAL RESPONSIBILITY - The adjuster is deemed to act in a fiduciary capacity on behalf of the adjuster's principal and, therefore, must post a bond guaranteeing the performance of this trust. The bond must be executed by an authorized surety company and must be in the sum of \$1,000.

ADDITIONAL LINES OF AUTHORITY – The apprentice adjuster cannot add lines of authority to the license but, in certain circumstances, may replace one line of authority with another. In other words, the apprentice adjuster may have only one line of authority under the license at any one time.

Further, upon the issuance of either an independent or public adjuster license, the existing apprentice adjuster license will terminate.

SUBSEQUENT APPOINTMENTS – Appointments are not applicable to adjuster licenses. Rather, apprentice adjusters must maintain a sponsoring licensed adjuster at all times.

RENEWAL – The apprentice adjuster license cannot be renewed, extended, or reissued. This temporary license is good only for a period up to 12 months and expires at the end of that period. Hence, the apprentice adjuster must qualify for a permanent independent or public adjuster license to continue adjusting claims beyond the 12-month period.

CONTINUING EDUCATION – Adjusters are not subject to continuing education.

BUSINESS ENTITY RESIDENT OR NONRESIDENT APPRENTICE ADJUSTER

The Kentucky Insurance Code limits the apprentice adjuster license to individuals. Business entities may not be licensed as apprentice adjusters.